

**National Forest Receipts Program**  
**CFDA Number 10.655**  
**Department of Community and Economic Development**  
**Program 12**

I. PROGRAM OBJECTIVES

This is a federal program in which money flows through the Department to boroughs whose boundaries include National Forest lands, to home rule cities, first class cities, and second class cities within the unorganized borough of the National Forest and to Regional Education Attendance Areas within the unorganized borough of the National Forest. Cities and Regional Education Attendance Areas within the unorganized borough that are within twenty miles of a National Forest also qualify. The funds are provided as federal revenue sharing. The program uses federal pass through money and the audit should be conducted in accordance with federal audit requirements.

II. PROGRAM PROCEDURES

Pursuant to 43 CFR 1881.1-2, 16 USC 500 and AS 41.15.180, payments are allocated on the basis of a formula. Payments are provided on an annual basis.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Money paid to an organized borough, to home rule, first class and second class cities in the unorganized borough or Regional Education Attendance Areas under the program shall be expended for public schools, [or] roads, **and special projects** based upon the purpose of the distribution. AS 41.15.180

Suggested Audit Procedure

- Test financial and related records and determine the purposes for which the funds were expended.

B. ELIGIBILITY

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

There are no matching, level of effort, or earmarking requirements.

#### D. REPORTING REQUIREMENTS

##### Compliance Requirement

Recipients of funds under this program are required to submit an annual reporting and accounting on their use of the funds.

##### Suggested Audit Procedures

- Trace data in the annual report to underlying documentation and determine the purposes for which funds were expended.

#### E. SPECIAL TESTS AND REQUIREMENTS

There are no special requirements or other tests beyond the preceding requirements.

Modified 5/02